

**Montana Board of Housing Recapture Tax Policy
As of March 11, 2008**

The Montana Board of Housing took action at its March meeting to discontinue reimbursement of recapture tax on future loans. This action reflects the Board's increasing concern about prudent management of its resources in light of current conditions in the mortgage and bond market and demands for additional asset coverage on bond issues from rating agencies and investors. The Board can no longer accept potential risk to its fund reserves given that recapture tax reimbursement represents an unknown amount of future liability.

MBOH will no longer reimburse recapture tax for eligible borrowers on loans reserved with MBOH on or after Monday, March 17, 2008.

Who is eligible for recapture tax reimbursement?

There are two different policies under which a borrower may qualify for reimbursement. The borrower only needs to qualify under one of the two.

1. A borrower whose loan fits both of the following criteria is eligible for reimbursement:

- a. Loan was purchased by MBOH after May 8, 2006 **and**
- b. Loan was reserved prior to March 17, 2008.

OR

2. A borrower with an MBOH loan on a home that sold that home between November 20, 2007 and March 10, 2008.

For questions or additional information, please contact Nancy Leifer or Charles Brown at 406-841-2840.